GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:31
ANSWERED ON:18.07.2016
Pension Scheme for Workers in Unorganised Sector
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a)whether Contributory Pension Scheme/New Pension Scheme (NPS) has been implemented/proposed to be implemented by the Government for the workers engaged in the unorganised sector in the country;
(b)if so, the details thereof along with the beneficiaries enrolled under the scheme since inception and the fiscal allocation made by the Government for the last two years and the current year; and
(c)the steps taken by the Government to ensure optimum utilisation of this scheme and to enroll more number of unorganised workers thereunder?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a) & (b): The Government of India has implemented the New Pension System, now called "National Pension System" (NPS), with effect from 1st January, 2004, through a notification dated the 22nd December, 2003, for new entrants to Central Government service, except the Armed Forces. The Swavalamban Scheme and the Atal Pension Yojana (APY) launched by the Government, inter alia, cover the unorganized sector. The scheme details are as under:
â€¢ Swavalamban Scheme: The Swavalamban Scheme was announced in the Budget of 2010-11 to address the longevity risks among the workers in unorganized sector and to encourage these workers to voluntarily save for their retirement. The scheme was operationalized through the existing NPS architecture wherein the subscriber's entry was through Aggregators i.e. a set of grass root intermediaries registered with PFRDA to function as subscriber interface under NPS architecture. The model was termed as "NPS-Swavalamban". Under the scheme a subscriber contributing Rs 1000/- to Rs 12,000/- would get Rs. 1000/- from Government. Consequent upon the launch of the Atal Pension Yojana in 2015, fresh registration under this Scheme has been discontinued with effect from 01-04-2015.
â€¢ Atal Pension Yojana (APY): In May, 2015, the APY was launched by Government of India to provide a defined pension, depending on the contribution, and its period. The registration of subscribers under the Scheme started from 1st June, 2015. Under the APY, the subscribers would receive the fixed minimum pension of Rs. 1000 per month to Rs. 5000 per month, from the age of 60 years, depending on their contributions, which itself is based on the age of joining the APY. Atal Pension Yojana (APY) is open to all bank account holders. The Central Government would co-contribute 50% of the total contribution subject to a maximum of Rs. 1000 per annum, to each eligible subscriber's account, for a period of 5 years, i.e., from Financial Year 2015-16 to 2019-20, who have joined the APY between the period 1st June, 2015 and 31st March, 2016, and who are not members of any statutory social security scheme and are not income tax payers.

The total number of subscribers enrolled under the Schemes is as below:
Name of Scheme Total number of subscribers as on 12-07-2016
Swavalamban Scheme 42.84 lakhs
Atal Pension Yojana 30.25 lakhs

The budgetary provision in respect of the Swavalamban Scheme for the last two years and current year is as under:
Financial Year B.E. R.E.
2014-15 Rs. 195.00 crore Rs. 195.00 crore
2015-16 Rs. 581.90 crore Rs. 308.00 crore
2016-17 Rs. 209.00 crore Yet to be proposed.

Atal Pension Yojana was launched in May, 2015; the budgetary provision for last one year and current year is as under:
Financial Year B.E. R.E.
2015-16 No budget provision was made in Budget 2015-16 Rs. 173.00 crore
2016-17 Rs. 200.00 crore Yet to be proposed.

(c): Swavalamban Scheme has been replaced with APY scheme from FY 2015-16 and fresh enrolment under Swavalamban has been stopped from 1st April 2015.
The following steps have been taken to popularize the APY scheme:
â€¢ Creation of awareness through media publicity campaigns and organising town-hall meetings with the participation of State Governments and State Level Bankers' Committees to aggregate the target occupational groups and other potential subscribers.
â€¢ Providing flexibility to subscribers to pay monthly, quarterly or half-yearly contributions under APY to facilitate participation by subscribers earning seasonal or irregular income, such as in agriculture and in informal sector.
â€¢ Permitting voluntary premature exit before age 60 to subscribers under APY.
â€¢ Capacity building of enrolment agencies, like officials of banks, post offices and business correspondents.

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